



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	SB0033	Title:	Procedures governing social security numbers and computer security breaches
Primary Sponsor:	Steinbeisser, D.	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Include in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal Impact: The bill requires state agencies to develop policies for the protection of social security numbers. In addition, the bill requires affected persons to be notified in the event of a security breach. It is impossible to estimate if/when a security breach may occur and therefore what the associated fiscal impact would be.

FISCAL ANALYSIS

Assumptions:

Executive Branch

1. SB 33 is consistent with the existing language in the "Interim Policy for Security of Sensitive Data" (effective July 7, 2006) published by the Information Technology Services Division of the Department of Administration. Most provisions of this bill are also covered in that policy. For the purposes of this fiscal note it is assumed the aforementioned policy would be amended to include the redaction and disposal requirements contained in Section 2 of the bill.
2. Agencies must develop procedures to implement the policy/legislation. It is assumed the development of these procedures would be absorbed within existing agency budgets.

3. If additional precautionary measures beyond those specified in policy such as encryption software or significant programming were implemented, agencies could incur significant costs in the hundreds of thousands of dollars.
4. If a computer system were determined to unnecessarily contain social security numbers, programming costs would be incurred by an agency to remove the data. These costs typically range from \$83 to \$90 per hour for contract programmers.
5. Section 3 of the bill describes the responsibility of a governmental entity to notify individuals in the event of a breach of their personal information. This is very difficult to estimate for fiscal note purposes. A breach may range from quite small (a few records) to very large (tens of thousands of records).
6. In the event of a breach, the affected department may be looking at anything from examining an individual staff member's handling of personal information to implementing mechanical and/or software barriers to protect its customer's personal information. It is assumed that reasonable efforts to provide notification of any breach of security that might occur would require preparing and mailing the effected parties. In addition, there would be costs associated with restoring the security and integrity of the compromised system. These costs would be based on the circumstances of the specific security breach, and can not be estimated.

Judicial Branch

7. The Judicial Branch will develop uniform procedures consistent with the bill and public access rules currently under review by the Supreme Court. This will require a business/policy analyst to document various uses of social security numbers and other private information throughout the Judicial Branch and coordinate and draft model procedures. This may be accomplished through contracted services.

Legislative Branch

8. The Legislative Branch will develop policies and procedures for the protection of personal information as required by sections two and three of the bill.
9. The process of developing policies and procedures will be added to existing work plans and funded within existing appropriations.

Technical Notes:

1. If a specific system was determined to need programming and adjustments, the September 1, 2008 implementation date could be a problem.

Sponsor's Initials

Date

Budget Director's Initials

Date